

complaint

This complaint is about Mr and Mrs N's mortgage with NRAM plc. They're unhappy to learn that the entire mortgage is set up on interest-only terms. They thought part of it was on a capital repayment basis.

background

In the 1990s, Mr and Mrs N had a mortgage of around £50,000 with a building society. The mortgage was in two parts; £34,500 on interest-only, and around £15,000 on capital repayment. In 2000, they re-mortgaged to Legal and General Bank, now part of NRAM. The new mortgage was for £49,125, all on interest-only. In 2005, Mr and Mrs N took a further advance on the NRAM mortgage; the further advance was on capital repayment.

Earlier this year, Mr and Mrs N complained, saying they didn't realise the re-mortgage in 2000 had merged both parts of their previous mortgage onto interest-only. Our adjudicator didn't think NRAM had done anything wrong. Mr and Mrs N don't agree and want their complaint reviewed by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm afraid I must disappoint Mr and Mrs N again.

I can't be sure what discussions took place between Mr and Mrs N and Legal and General Bank (as it then was) in 2000. But it's apparent from the point-of-sale documentation that the application they submitted was for an interest-only rather than a "part-and-part" mortgage. The mortgage offer confirmed this, as did the annual mortgage statements Mr and Mrs N have received in the intervening years.

I know this will be unwelcome news for Mr and Mrs N, but I can't fairly find that a mistake was made when the re-mortgage was carried out in 2000.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 13 November 2015.

Jeff Parrington
ombudsman